

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL MEMORANDUM

HB 280 – SB 205

April 13, 2009

SUMMARY OF AMENDMENT (005729): Deletes all language after the enacting clause and grants the State Insurance Committee, the Local Government Insurance Committee, and the Local Education Insurance Committee the authority to delegate the ability to handle and resolve disputes regarding the application of medical necessity guidelines to a subcommittee or staff.

FISCAL IMPACT OF ORIGINAL BILL:

Other Fiscal Impact – A precise fiscal estimate of the bill is difficult due to a number of unknown factors including, but not limited to, the number of employees who will transfer to a different insurance plan and the type of procedure that will be covered after the transfer. However, it is reasonable to estimate an increase in state expenditures which exceeds \$100,000.

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Increase State Expenditures – Not Significant

Assumptions applied to amendment:

- The Department of Finance and Administration, Division of Benefits Administration, has developed a proposal for implementing the expansion of the scope of existing appeals procedures.
- Based on the proposed revised appeals process and responses from the current plan administrators, the Division estimates that no additional administrative expenses will be incurred and no additional staffing will be necessary to implement the provisions of the bill.
- Any cost can be accommodated within existing resources without an increased appropriation or reduced reversion.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized initial "J".

James W. White, Executive Director

/kml